



SERVICE AGREEMENT

(ICB-Matrix)

Customer Name:	State of DE Division of Libraries ("Customer")	Main Billing Tel. No:	302-189-6786
Address:	121 Duke of York Street Dover, DE 19901	ICB-M Case No./Price Quote ID	2012-600470 Rev1

Services. Customer hereby requests and agrees to purchase from the Verizon company(ies) identified in the applicable Exhibit(s) ("Verizon") the services identified in the Exhibit(s) (the "Service") attached to this Service Agreement, including Schedule A as applicable, (the "Agreement") or added by a fully executed Amendment to this Agreement, subject to Verizon's receipt of any necessary regulatory and other governmental approvals required to provide the Service under the terms hereof. The Services are further described in Verizon's applicable tariffs and guides for incumbent local services (including but not limited to the Administrative Guidelines and ILEC Product Guide) which are incorporated into this Agreement by reference and can be viewed at: <http://www.verizon.com/tariffs>. References made to "tariff", "tariffs" and "tariffed rates, terms and conditions" in the Agreement and Exhibits shall include the applicable guide with respect to de-tariffed incumbent local Services provided hereunder except where the context indicates the reference is not applicable to de-tariffed Service. Each Verizon company providing Services under this Agreement is responsible only for the performance of the Services it is providing as set out in each Exhibit hereto and is not responsible for the performance of any other entity's obligations under this Agreement.

Term of Agreement; Service Period. The term of this Agreement shall commence July 1st 2012 and shall continue for a period of twelve (12) consecutive months. This Agreement may be extended for up to two (2) one (1) year renewal periods. Any renewal shall be upon mutual agreement of the parties. Customer shall purchase the Services identified in each Exhibit for the period of time stated in the Exhibit (the "Service Period"). The Service Period will commence and expire as set forth in the Exhibit. If either party terminates this Agreement as provided above, the terms and conditions of this Agreement will remain in full force and effect with respect to any Services provided hereunder until the then current Service Period has expired. For those Services which, in accordance with the Exhibit, continue to be provided on a month-to-month basis upon expiration of the Service Period, this Agreement will remain in full force and effect with respect to such Services until the Services are disconnected by either party upon notice to the other. Such notification by Customer will be effective on 30 days notice; such notification by Verizon will be effective on 60 days notice.

Charges. Customer will pay the rates and charges set forth in the attached Exhibit(s) and also shall pay all applicable taxes, fees, and charges, including but not limited to Federal End User Common Line Charges, charged pursuant to applicable law, regulations, or tariffs in connection with the Service. If Customer cancels or terminates this Agreement or any Service prior to expiration of the Service Period, Customer will promptly pay to Verizon termination charges as set forth in the applicable Exhibit(s).

Notices. Notices under this Agreement shall be sent by first-class U.S. mail, postage prepaid, to Customer at the address specified above, and to Verizon at Verizon Business Services, 6415-6455 Business Center Drive, Highlands Ranch, Colorado 80130, Attn: Customer Service, with a copy to Verizon Business Services, Attn: Vice President, Legal, 22001 Loudoun County Pkwy, Ashburn, Virginia 20147. Notices shall be deemed effective five business days after such mailing.

Miscellaneous

(a) Neither party will disclose the terms of this Agreement to any other person without the prior written consent of the other party, except as may be necessary to comply with applicable law, regulation, or filing requirements.

(b) In the event of any claim or dispute, the laws of the jurisdiction in which Verizon provides to Customer the particular Service that is the subject of such claim or dispute shall apply. This Agreement and its provisions shall not be construed or interpreted for or against any party hereto because that party drafted or caused that party's legal representative to draft any of its provisions.

(c) No liability shall result from Service failures caused by fires, floods, severe weather, acts of government or third parties, strikes, labor disputes, inability to obtain necessary equipment or services, or other causes beyond such party's reasonable control.

(d) If any provision of this Agreement or the provision of any Service under the terms hereof is illegal, invalid, or otherwise prohibited under applicable law or regulation in any state or jurisdiction, or does not receive any governmental

or regulatory approval required by law in any state or jurisdiction, then this Agreement shall be construed as if not containing such provision or requiring the provision of such invalid, illegal, prohibited, or unapproved Service in such state or jurisdiction.

(e) Verizon may assign or transfer part or all of this Agreement to any Verizon affiliate or successor to substantially all of its assets in the locations where Service is provided hereunder. Upon reasonable prior written notice to Verizon, Customer may assign or transfer this Agreement to any company that is the successor to substantially all of its assets, provided all charges for Service provided prior to such transfer or assignment are paid in full when due. Except as otherwise required by applicable law or regulation, all other attempted assignments shall be void without the prior written consent of the other party.

(f) Except as otherwise required by applicable law or regulation, the Service provided hereunder may not be resold by Customer.

(g) Termination of this Agreement or a Service for any cause shall not release either party from any liability which at the time of termination had already accrued or which thereafter accrues for any act or omission occurring prior to the termination or from an obligation which, by its nature, survives termination.

(h) The terms and conditions of this Agreement, including Schedule A and the Exhibit(s), will not be modified or amended by any purchase order document issued by Customer (whether signed by one or both parties). Any terms and conditions contained in such Customer purchase order document in conflict with this Agreement shall be void and of no effect.

Customer Consent to Use of Customer Proprietary Network Information (CPNI). Verizon acknowledges that it has a duty, and Customer has a right, under federal and/or state law to protect the confidentiality of Customer's CPNI. CPNI includes information relating to the quantity, technical configuration, type, destination, location, and amount of use of the telecommunications and interconnected voice over Internet Protocol services Customer purchases from Verizon, as well as related local and toll billing information, made available to Verizon solely by virtue of Customer's relationship with Verizon. With Customer consent, Verizon may share Customer CPNI and other Confidential Information among its affiliates, including Verizon Wireless, and with agents and partners, so that all may use this information to offer Customer the full range of products and services offered by Verizon and its affiliates, including local, long distance, wireless, and Internet services (see www.verizon.com for a description of Verizon companies and services). By signing this Agreement, Customer consents to Verizon using and disclosing Customer CPNI as described above. Customer may refuse CPNI consent by signing this Agreement and by notifying Verizon in writing at cpni-notices@verizonwireless.com and cpni-notices@verizonbusiness.com of Customer's decision to withhold Customer's consent. Customer's consent or refusal to consent will remain valid until Customer otherwise advises Verizon, and in either case, will not affect Verizon's provision of service to Customer.

Tariffs and Limitation of Liability. The terms and conditions that shall apply in connection with the Service, and the rights and liabilities of the parties, shall be as set forth herein and in all applicable tariffs now or hereafter filed with the applicable state regulatory commission and/or the Federal Communications Commission. Except for payment by Customer of amounts owed to Verizon for Services provided under this Agreement, in no event shall either party be liable to the other party for any special, indirect, incidental, or consequential damages arising in connection with this Agreement, or the provision of any Service, whether claim is sought in contract, tort (including negligence), strict liability or otherwise even if the party knew or should have known of the possibility of such damages. The RFP, the Service Provider's proposal response, the purchase order, the executed contract and any supplemental documents between the State of Delaware and the successful Service Provider shall constitute the contract between the State of Delaware and the Service Provider. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: This Agreement (including Schedule A and the Exhibit(s) attached here to), State of Delaware's RFP, Service Provider's response to the RFP, and purchase order. This Agreement may not be modified or rescinded except by a writing signed by authorized representatives of each party.

[REMAINDER OF PAGE INTENTIONALL LEFT BLANK]

System Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed. Each party warrants and represents that its respective representative whose signature appears below have been and are on the date of signature duly authorized to execute this Agreement and that each party has the authority to enter into this Agreement.

Verizon Business Network Services Inc.
on behalf of the Verizon Company(ies) identified
in the attached Exhibit(s)

CUSTOMER'S LEGAL NAME ("Customer"):
State of Delaware, Division of Libraries

By: _____	By: _____
Name: _____	Name: <u>Xanne Norman</u>
Title: _____	Title: <u>State Librarian / Director</u>
Date: <u>3/19/12</u>	Date: <u>3/19/2012</u>
Anthony Recine Vice President	

Schedule A

The terms and conditions of this Schedule A apply for Intrastate Exchange Services in the States of California, Delaware, Florida, Pennsylvania, Rhode Island, Texas, and Virginia (except for 911 services in all states listed and special access services in California, which remain subject to tariff). If Customer purchases such Intrastate Exchange Services in any state(s) listed above, then the terms and conditions under this Schedule A shall apply to such Services in such state(s), which shall supersede any conflicting provisions of the tariffs and guides.

Invoices and Payment. Customer will pay all Verizon charges (except Disputed amounts) within 30 days of receipt of an invoice. Such receipt is deemed to be five (5) days from the date of invoice. Customer will pay a late payment charge on any amount not paid or Disputed within such 30 days, equal to the lesser of: (a) 1.5% per month, (b) the amount indicated in a Service Attachment, or (c) the maximum amount allowed by applicable law. 29 Del. C. §6516. A "Disputed" amount is one for which Customer has given Verizon written notice, adequately supported by bona fide explanation and documentation. Any invoice not Disputed within 6 months of the invoice is deemed correct and binding on Customer. Payment by procurement card (P-card) is an acceptable form of payment.

Customer Responsibilities. Customer agrees to provide Verizon with any access and support necessary for the implementation, maintenance and provision of the Services requested hereunder. Customer is responsible for taking all steps necessary to interconnect the Services at Customer's location(s) including ensuring proper interconnection with the facilities and equipment provided by Verizon, paying all costs associated with interconnection, securing any necessary licenses, right of ways and permits and providing proper space, electrical power, heating, ventilation and cooling. Verizon shall not be liable for any damages or losses caused by the failure of equipment, inside wire or other facilities provided by Customer or a third party. Customer is solely responsible for the selection, implementation and maintenance of security features for protection against unauthorized or fraudulent use of the Service(s) and Verizon shall have no liability for Customer's selection of such security features, implementation and maintenance therefore.

Suspension of Services. In addition to Verizon's right to suspend Service for non-payment of undisputed charges, Verizon may suspend or limit use of any Services under this Agreement without liability and with notice to Customer under other conditions as provided in the applicable guide, including use of the Service in an unauthorized or fraudulent manner.

Unauthorized Use. Without prejudice to Customer's rights to assert third-party responsibility therefor, and without prejudice to Verizon's rights and remedies under applicable laws, rules, regulations or orders, including but not limited to, its rights to impleader, as between Verizon and Customer Verizon shall not be responsible under this Agreement for damages, costs and attorneys fees in connection with any claim arising out of any damages as a result of the unauthorized or fraudulent use or misuse of the Services by Customer.

Indemnification. Verizon shall not be liable for any and all losses, claims, demands, expenses (including reasonable attorney's fees), or any liability whatsoever, arising from any use of the Services by Customer or by person or entity permitted by Customer to use the Services, including without limitation, liability resulting from the content of communication such as defamation, fraud or invasion of privacy, or any combination of the Services with other products or services not provided by Verizon, any modification of the Services or any infringement of intellectual property as a result of such combination or modification.

Warranty Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE APPLICABLE TARIFF OR GUIDE FOR INCUMBENT LOCAL SERVICES, VERIZON DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, EXPRESS, IMPLIED OR ARISING BY COURSE OF PERFORMANCE, DEALING, CUSTOM OR TRADE USAGE, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE (EVEN IF VERIZON KNEW OR SHOULD HAVE KNOWN OF SUCH PURPOSE) AND NON-INFRINGEMENT. CUSTOMER AGREES THAT THE SERVICES PROVIDED HEREUNDER ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. VERIZON DOES NOT WARRANT THAT THE SERVICES WILL MEET CUSTOMER'S NEEDS, OR WILL BE UNINTERRUPTED, ERROR-FREE, OR SECURE.

Limitation of Liability. EXCEPT FOR DAMAGES RESULTING FROM UNAUTHORIZED OR ILLEGAL USE OF THE SERVICE BY CUSTOMER, ITS EMPLOYEES, AGENTS, SUBCONTRACTORS OR OTHER THIRD PARTIES, NEITHER PARTY (NOR ITS SUPPLIERS OR AFFILIATES) SHALL BE LIABLE TO THE OTHER PARTY FOR PUNITIVE, SPECIAL, CONSEQUENTIAL, INCIDENTAL, OR INDIRECT DAMAGES INCLUDING WITHOUT LIMITATION, LOSS OF

BUSINESS PROFITS, OR OTHER COMMERCIAL OR ECONOMIC LOSS ARISING IN CONNECTION WITH THE SERVICES, EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

With the exclusion of direct damages imposed on the Customer for bodily injuries, including death, and for damages to real or tangible personal property to the extent caused by the negligent or otherwise tortious acts or omissions of Verizon or its agents or employees in the course of performance under this Agreement VERIZON'S MAXIMUM TOTAL LIABILITY TO THE OTHER PARTY IN CONNECTION WITH THE SERVICES, FOR ANY AND ALL CAUSES OF ACTION AND CLAIMS SHALL BE THE VALUE OF 12 MONTHS OF SERVICE UNDER THIS CONTRACT:

NOTHING IN THIS SECTION LIMITS CUSTOMER'S PAYMENT OBLIGATIONS UNDER THE AGREEMENT.

Confidential Information. Except as required by law or regulation, each party promises that during the Term and for three years after, it will use the other party's Confidential Information only for purposes of this Agreement, not disclose it to third parties except as provided below, and protect it from disclosure using the same degree of care it uses for its own Confidential Information (but no less than a reasonable degree of care). Such a party may disclose the other party's Confidential Information only to its employees, agents and subcontractors (including professional advisors and auditors), and to those of its affiliates, who have a need to know for purposes of this Agreement, and who are bound to protect it from unauthorized use and disclosure under the terms of a written agreement at least as protective as the related terms of this Agreement. In any case, a party is responsible for the treatment of Confidential Information by any third party to whom it discloses it under the preceding sentence. "Confidential Information" means information (in whatever form) (i) designated as confidential; (ii) relating to this Agreement or potential changes to it; (iii) relating to the party's business affairs, customers, products, developments, trade secrets, know-how or personnel; or (iv) received or discovered at any time that this Agreement is in effect, or otherwise in connection with this Agreement, by a party (including through an affiliate or other agent), which information should reasonably have been understood as Confidential Information of the party (or one of its affiliates or subcontractors), either because of legends or other markings, the circumstances of disclosure or the nature of the information itself. Confidential Information does not include information that: (a) is in the possession of the receiving party free of any obligation of confidentiality at the time of its disclosure; (b) is or becomes publicly known other than by a breach of this provision; (c) is received without restriction from a non-party free to disclose it; or (d) is developed independently by the receiving party without reference to the Confidential Information. In addition, information, whether or not Confidential Information, may be disclosed by a receiving party as may be required or authorized by applicable law, rule, regulation, or lawful process provided that the receiving party, to the extent practicable and permitted, by applicable law, rule, regulation, or lawful process, first notifies the disclosing party in order to permit the disclosing party to seek reasonable protective arrangements. Confidential Information (excluding CPNI that is also Confidential Information) remains the property of the disclosing party and, upon request of the disclosing party, must be returned or destroyed at the end of this Agreement. If there is a breach or threatened breach of this confidentiality provision, the disclosing party will be entitled to specific performance and injunctive or other equitable relief as a non-exclusive remedy. This clause does not prevent a party from announcing the existence of the terms of this Agreement internally (e.g., to its employees and affiliates). Verizon shall not be deemed to have received, obtained, discovered, processed, stored, maintained, or been given access to Customer Confidential Information solely by virtue of the fact that Customer receives, transmits, obtains or otherwise exchanges such information through its use of the Services (including without limitation any of Verizon's voice and/or data, services included in the Services). Customer is responsible for taking steps to protect the confidentiality and integrity of information, including without limitation Customer Confidential Information, that it receives, transmits, obtains or otherwise exchanges with third parties through its use of the Services, by using, for example, encryption or other security measures for its network transmissions.

Verizon Company Name: Verizon Delaware Inc. (referred to in this Exhibit as "Verizon")
 State: Delaware
 Customer Name: State of Delaware Division of Libraries
 ICB-M Case No.: 2012-600470 Rev1
 Price Quote ID:

TRANSPARENT LAN SERVICE (TLS)

1. **Service and Rates.** Customer agrees to purchase the following Minimum Commitment of Service from Verizon at the rates set forth below for the Service Period identified below. Any other work, services or facilities required will be provided subject to prevailing tariff rates and charges, or if no tariff is applicable, at Verizon's then-current retail rate. Customer shall provide to Verizon at each Customer location suitable and secure space, with suitable environmental conditions and uninterruptible power supply, building entrance facilities and conduit, for placement of the facilities and equipment to be used by Verizon to provide such Service.

Rate Element	Quantity	Monthly Unit Rate	Total Monthly Rate Q* MONTHLY Rate	UNIT NRC
EMS 10 MB Standard Access Lines	0	\$765.00	\$0.00	NA
EMS 100 MB Standard Access Lines	33	\$1,440.00	\$47,520.00	NA
EMS 1000 MB Standard Access Lines	3	\$2,240.00	\$6,720.00	NA

Total Initial NRC equals Minimum Quantity times NRC. Applicable tariff non-recurring charges apply to any move or relocation of an existing Service or change to initial Customer configuration.

Notes

1. Interoffice Mileage (IOF) applies when the Customer's serving wire center is different from the installed TLS switching office and equals the airline mile distance between Customer's serving wire center and the TLS switching office. For UNI Port and Access at bandwidths of 10Mbps, 100Mbps and 1000Mbps, the first 20 IOF Miles are included in the Monthly Unit Rate identified above. IOF Mileage charges will apply to any IOF Mileage which exceeds 20 miles. For UNI Port and Access at a bandwidth of 10Gbps, Customer shall be subject to all IOF Mileage charges, including the first twenty 20 miles.
2. Additional charges may be required if suitable facilities are not available to provide Service at any locations, including but not limited to switch/port, IOF fiber and loop fiber availability on the day an order is placed.
3. Customer will give notice to the Verizon Account Team for any taxes and surcharges that appear on invoices for the above services that the Customer believes they are exempt from paying, the Verizon Account Team will review and work with the Customer to address any discrepancies and apply any credit to Customer.
4. Any mileage quantities identified above shall be deemed initial estimates only and billing for mileage charges will be based on actual mileage.

2. **Special Construction.** If in providing the Service, special construction of Verizon network facilities is required ("Special Construction") then Customer must provide at its cost any conduit, pathways, and building entrance facilities required on private property, and suitable and secure space, power, and access for any equipment or facilities that Verizon may place at Customer's premises. The Special Construction work will be performed within Verizon's standard working intervals, during normal working hours.

3. **Service Period.** Customer shall purchase the Service for a period of twelve (12) consecutive months following the In-Service Date (as defined below) of the first Service Item made available to Customer. The In-Service Date is the date following the execution of this Agreement and the receipt of all necessary regulatory and other governmental approvals that may be required prior to the provision of such Service under the terms hereof, when Verizon informs the Customer that the Service Item has been installed and is available for Customer's use. For Services already installed and cutover, the In-Service date will be the date following execution of this Agreement and the receipt of all necessary regulatory and other governmental approvals as are required. Billing for each Service Item will commence on the In-Service Date of the respective Service Item. The Service Period for all Service Items installed under this Exhibit will be coterminous, with the exception of Ethernet Virtual Circuits which will be provided on a month-to-month basis. Customer may order additional Service beyond the Minimum Quantity shown above at the rates set forth above during the first twelve (12) months of the Service Period via an amendment to this Agreement subject to a \$1300 non recurring charge. By providing Verizon with at least 30 days written notice prior to the expiration of the Service Period, Customer, at its option, may extend the Service Period for up to a maximum of two (2) additional 12-month periods unless such continuation is not permitted under applicable law or regulation. Termination charges will apply to all Service disconnected prior to the end of the Service Period or any extension thereof.
4. **Minimum Commitment and Shortfall.** Customer acknowledges that the rates herein are contingent upon Customer purchasing at least the quantity of Service set forth above (the "Minimum Commitment"). Verizon will review Customer's account following each annual anniversary of the commencement of the Service Period and if the quantity of Service installed is less than the Minimum Commitment, Customer shall pay to Verizon an amount equal to the difference between the amount actually billed and paid for such Service and the amounts that would have been billed hereunder for that Service had Customer satisfied the applicable Minimum Commitment for such Service ("Annual Review"). Hereinafter, such amounts due Verizon shall be referred to as the "Shortfall Amounts". Verizon will issue an invoice to Customer for any Shortfall Amounts due hereunder. Ramp-Up Period months will be excluded from the calculation of Shortfall Amounts. Shortfall Amounts will not be assessed on units of TLS where Termination Charges have been imposed.
5. **Termination Charges.** If Customer cancels this Agreement in whole or in part or terminates any Service for its own convenience prior to the expiration of the Service Period, Customer shall pay to Verizon a termination charge equal to twenty-five (25) percent of the applicable monthly rate for the terminated Service multiplied by the number of months remaining in the unexpired portion of the Service Period. Termination charges will not apply if an exception contained in Verizon's applicable tariff applies. Any such termination liability charge shall be due and payable in one lump sum within 30 days of billing.
6. **Additional Provisions**
- 6.1 Conditions. The parties acknowledge that the rates and other terms of this Agreement are premised on Customer's commitments, unique network design requirements, and Customer's service mix, usage patterns and concentration, and other characteristics.
- 6.2 Service Continuation
- (i) If, at the time of expiration of the Service Period, a new agreement or tariffed service arrangement with Verizon for the Services is not effective as defined above and Customer has not requested, in writing, disconnection of the Services, then the Services will be reverted to applicable tariff or other Commission-authorized rate(s) for the minimum service commitment period available. The applicable tariff or other Commission-authorized service arrangement will govern the service arrangement prospectively, including rates, terms and conditions, which may include charges for termination prior to the end of the minimum tariff service commitment period. If there is no applicable tariff or other Commission-authorized service arrangement, then the Service will be subject to disconnection upon the expiration of the Service Period of this Agreement. If, upon expiration of the Service Period, there is a delay in reverting rates to the applicable tariff or other Commission-authorized rate(s), or in disconnecting the Services if no tariff or Commission-authorized service arrangement is available, the Service Period shall be deemed temporarily extended on a month-to-month basis until such reversion of rates or disconnection of Services is completed. In no event, however, will such temporary extension of the Service Period continue more than 12 months after the expiration of the initial Service Period.
- (ii) If Customer provides written notice to Verizon that it desires to negotiate a new contract or tariffed service arrangement to continue or replace the Services provided for herein, the Service Period shall automatically be

extended for a period not to exceed 60 days from the end of the initial Service Period to allow the parties to finalize a new agreement or to transition to a tariffed service arrangement. Such written notice must be provided by Customer at least 30 days prior to the end of the Service Period. For purposes of this paragraph only, written notice may be by facsimile or electronic mail.

6.3 **Detariffing.** In the event any of the Services are hereafter detariffed, then the terms of the tariffs in effect immediately prior to such detariffing shall be deemed to be incorporated by reference and shall continue to apply to the provision of the Service to the same extent as such tariffs applied hereunder prior to such detariffing.

6.4 **Facilities.** The Service is available only from offices which have the necessary facilities to provide TLS on the standard TLS platform. Additional charges may be required if suitable facilities are not available to provide Services at any locations, or if any additional work, services, or quantities of Services are provided. In the event installation of additional network facilities is required to provide Services, Verizon will inform Customer of such applicable charges, and Verizon will install such facilities only upon mutual agreement of the parties to such additional charges as reflected in an amendment to this Agreement. If Customer does not agree to pay such additional charges, then neither the additional facilities nor the Services that required such additional facilities will be installed; termination charges for such facilities and affected Services will not be applied.

6.5 **Customer Purchase Orders.** The terms and conditions contained on a Customer purchase order document (whether signed by one or both parties) shall not modify the terms and conditions of this Agreement.

6.6 **Maximum Allowable Range for Service.** The maximum allowable range for the Service is determined by the dB loss rate. The actual distance between the TLS equipped serving central office and Customer's location may vary due to the facility used in each serving arrangement. The maximum dB loss cannot exceed 20dB @ 1310nm for 10Mbps, 26dB @ 1310nm for 100Mbps, 9.5dB @ 1330nm for 1000Mbps or 22dB @ 1550nm for 1000Mbps. Service is available only where database loss is not exceeded.

6.7 If seeking E-Rate funding under the Federal Universal Service Fund from the Universal Service Administrative Company ("USAC") with respect to the Services and/or equipment provided pursuant to this Agreement, then:

a. Customer shall be solely responsible for applying for and securing any E-Rate funding, and for ensuring the accuracy and integrity of all data and information submitted in connection with such application; and

b. Verizon shall have no liability arising from any assistance it provides Customer in connection with such application and Customer shall hold Verizon harmless with respect to any such assistance or information provided to Customer.

If Customer fails to qualify for or secure E-Rate funding or otherwise becomes ineligible for such funding, or if such funding is withdrawn or canceled, or if payment of any Verizon charges is denied by USAC, Customer shall nevertheless be obligated to pay 100% of the charges associated with the Services and/or equipment provided pursuant to this Agreement that are not paid to Verizon from E-Rate funding.

6.8 Verizon, at its discretion, may increase the rates for the Service if this Agreement is not signed and dated by Customer on or before March 20th, 2012.

7. **Locations.** The Services shall be provided to Customer under the terms hereof at the following Customer locations, provided such locations are located within Verizon's incumbent local exchange service area. Additional quantities of Services and Service to other Customer locations may be added to this Agreement only via an amendment to this Exhibit.

Location Name	Address (Number and St.)	City	State	TLS Mb/s
Div Of Libraries	121 Duke of York Street	Dover	De	1000
Div Of Lib Silver Lake Center	801 Silver Lake Blvd	Dover	De	1000
Sussex Co Dept of Libraries	22215 DuPont Blvd	Georgetown	De	1000
Bear Library	101 Governor's Place	Bear	De	100
South Coastal Library	43 Kent Avenue	Bethany Beach	De	100
Bridgeville Public Library	600 South Cannon Street	Bridgeville	De	100
Claymont Public Library	3303 Green Street	Claymont	De	100
Delaware City Library	250 Fifth Street	Delaware City	De	100
Delmar Public Library	101 N. Bi-State Blvd.	Delmar	De	100

Dover Public Library	45 S. State Street	Dover	De	100
Kent Public Library	487 South Red Haven Road	Dover	De	100
Elsmere Public Library	30 Spruce Ave	Elsmere	De	100
Frankford Public Library	8 Main Street	Frankford	De	100
Georgetown Public Library	123 West Pine Street	Georgetown	De	100
Greenwood Public Library	100 Mill Street	Greenwood	De	100
Harrington Public Library	110 E Center Street	Harrington	De	100
Hockessin Public Library	1023 Valley Road	Hockessin	De	100
Laurel Public Library	101 E 4th Street	Laurel	De	100
Lewes Public Library	111 Adams Street	Lewes	De	100
Appoquinimink Library	118 Silver Lake Rd	Middletown	De	100
Milford District Free Library	11 SE Front Street	Milford	De	100
Millsboro Public Library	217 W State St	Millsboro	De	100
Milton Public Library	121 Union Street	Milton	De	100
Garfield Park Public Library	26 Karlyn Drive	New Castle	De	100
New Castle Public Library	424 Delaware Street	New Castle	De	100
Newark Free Library	750 Library Avenue	Newark	De	100
Corbit Calloway Mem. Library	115 High Street	Odessa	De	100
Rehoboth Beach Pub Library	226 Rehoboth Avenue	Rehoboth Beach	De	100
Seaford District Library	600 N Market Street	Seaford	De	100
Selbyville Public Library	11 Main & McCabe Streets	Selbyville	De	100
Smyrna Public Library	107 South Main Street	Smyrna	De	100
Wilmington Institute Library	10 East 10th Street	Wilmington	De	100
Brandywine Hundred	1300 Foulk Rd	Wilmington	De	100
Woodlawn Branch Library	2020 West 9th Street	Wilmington	De	100
Wilmington North Branch	3400 North Market Street	Wilmington	De	100
Kirkwood Highway Library	6000 Kirkwood Highway	Wilmington	De	100

Addendum to Exhibit A

Verizon company name: Verizon Delaware Inc. (referred to in this Addendum as "Verizon")
 State: Delaware
 Customer name: State of Delaware Division of Libraries
 ICB Case No.:

Customer Premises Equipment for Use with Transparent LAN Service

This Addendum is attached to and made a part of Exhibit A (the "TLS Exhibit"), pursuant to which Transparent LAN Service ("TLS Service") will be provided to Customer.

1. **Equipment and Quantity Commitments.** Customer agrees to pay the rates and charges set forth below for the quantities of equipment and associated services (collectively referred to herein as the "TLS Equipment") listed below for the Service Period set forth below. Such TLS Equipment shall be used in conjunction with the TLS Service provided under the TLS Exhibit. Accordingly, the terms and conditions of the TLS Exhibit and the Agreement to which it is attached, shall apply to the provision of the TLS Equipment hereunder, except as otherwise expressly provided below. Any other work, services or facilities required will be provided subject to prevailing tariff rates and charges, or if no tariff is applicable, under separate agreement or a signed amendment to this Addendum.

a. **Description.** Verizon will provide the following TLS Equipment:

<u>Quantity</u>	<u>TLS Equipment</u>	<u>Monthly Charge per Unit</u>	<u>Non-Recurring Charge Per Unit</u>
33	3650 Cisco Switch for the 100 Mb/s TLS Circuit	\$136.00	N/A
3	3650 Cisco Switch for the 1000Mb/s TLS Circuit	\$166.23	N/A

b. **Installation and Maintenance.** The above includes installation of the TLS Equipment during normal business hours at the Customer Locations referred to below. Verizon will perform such maintenance as is necessitated by normal use of the equipment in accordance with all applicable manufacturer specifications, and shall not include performance of: (i) any moves, additions, or changes; (ii) maintenance necessitated by accident, casualty (including fire, flood, lightning, power disturbances, and other force majeure events), neglect, misuse, intentional acts of Customer or third parties, or by excessive moisture or other unsuitable temperature or environmental conditions; (iii) recovery of lost data; (iv) upgrades, enhancements, or new releases of software or firmware. Additional charges may be required for performance of any such excluded items. Verizon will replace items of TLS Equipment it determines needs to be replaced with equipment of like kind and functionality from a manufacturer of Verizon's choice at the time of replacement ("Exchange Unit"). Before replacing any items of TLS Equipment, Verizon will attempt to contact Customer to schedule it.

c. **Customer Locations.** The TLS Equipment shown above shall be provided to Customer under the terms hereof at the locations set forth in the TLS Exhibit where TLS Service will be provided thereunder ("Customer Locations"). Customer acknowledges that the TLS Equipment may be a shared resource with other Verizon customers. Customer may add additional TLS Equipment at mutually agreed upon rates via an amendment to this Exhibit. Customer shall provide to Verizon during the Service Period at each Customer location suitable and secure space, with suitable environmental conditions and uninterruptible power supply, building entrance facilities and conduit, for location of, and access to, the TLS Equipment and associated facilities to be used by Verizon to provide such TLS Equipment.

d. **Return of Equipment.** Customer shall return all terminated items of TLS Equipment to Verizon in good condition and repair, reasonable and proper depreciation excepted (or otherwise dispose of the TLS Equipment as Verizon and/or its agent Verizon Credit, Inc. directs), at Customer's expense, within five business days after the expiration or termination of the Service Period, or early termination of the TLS Equipment, whichever is earlier. Verizon Credit, Inc., acting as agent for Verizon, will contact Customer with shipping address and return instructions. Customer will immediately notify Verizon in writing of any loss or damage, or any incident or condition which may give rise to any loss or damage, including details thereof, including without limitation the time, place and nature of the incident and damage, the names and addresses of parties involved, including persons injured, witnesses and owners of property (tangible or intangible) damaged, and such other information as may be known. For each item of such TLS Equipment not returned, for any reason, within the five day period, Customer will permit Verizon to enter the applicable Customer location to remove such equipment.

2. **Term or Service Period.** Customer shall pay for such TLS Equipment for a minimum period commencing upon the In-Service Date of TLS Equipment (as defined below) for each item of TLS Equipment and continuing thereafter for the Service Period stated in the TLS Exhibit for the associated TLS Service and will be coterminous with such TLS Service. The in-service date for each item of TLS Equipment shall be the date, following execution of this Addendum, on which such item of TLS Equipment has been delivered to Customer and has been installed and is available for use by

Customer together with the associated TLS Service at the respective Customer Location ("In-Service Date of TLS Equipment"). Prior to the end of the Service Period, Verizon Credit Inc., acting as agent for Verizon, will provide Customer with notice of impending expiration and instructions for return of the TLS Equipment. Customer shall return the TLS Equipment at its cost to Verizon promptly after the expiration of the Service Period and shall continue to pay applicable monthly charges for any TLS Equipment not returned within 30 days after the expiration of the Service Period.

3. Termination Charges. If Customer terminates the Agreement or this Addendum, in whole or in part, or terminates any item of TLS Equipment prior to the expiration of the initial Service Period, or if Verizon terminates the Agreement, the TLS Exhibit, this Addendum, or TLS Equipment for cause, Customer shall pay to Verizon a termination charge equal to the applicable monthly rate attributable to the terminated item of TLS Equipment multiplied by the number of months remaining in the unexpired portion of the initial Service Period. Any such termination liability charge shall be due and payable in one lump sum within 30 days of billing. In the event of such termination, Customer shall return the item of TLS Equipment as directed above.

4. Additional Provisions.

a. Facilities. Additional charges may be required if suitable facilities are not available to provide TLS Equipment at any locations, or if any additional work, services, or quantities of TLS Equipment are provided. In the event additional work, services, or facilities are required, Verizon will inform Customer of such applicable charges, and Verizon will provide same only upon mutual agreement of the parties to such additional charges that is reflected in an amendment to this Agreement. If Customer does not agree to pay such additional charges, then TLS Equipment Services impacted by the requirements for additional work, services or facilities will be subject to termination by Verizon without application of the termination charges described above.

b. Payment and Performance. Verizon will invoice Customer monthly. Payments will be due net 30 days from the invoice date, unless a different date appears on the invoice. Payments received after the due date shall be subject to a late payment charge calculated using the same formula as is applicable for late payment of the underlying TLS Service. Listed charges do not include applicable taxes, surcharges, and other amounts due under law, which Customer agrees to pay (unless exempt by applicable law), in addition to the listed charges. Verizon may suspend or terminate this Addendum or its provision of TLS Equipment hereunder, in whole or in part, for cause if Customer fails to pay any invoice, excluding disputed amounts, within 10 days of receiving notice that payment is overdue. Verizon may suspend or terminate this Addendum or its provision of TLS Equipment hereunder, in whole or in part, for cause if Customer fails to perform or comply with any other material provision of this Addendum, and does not cure such failure within 30 days after written notice thereof.

c. Title, Risk of Loss. Verizon or its suppliers will retain ownership of all right, title, and interest in all equipment, software, and facilities used or furnished by Verizon or its suppliers hereunder or to provide TLS Equipment or perform this Addendum. Any software provided will be subject to the terms of any license provided by the software publisher or the manufacturer of the equipment with which the software is provided. Customer shall, if required, execute a separate software license agreement in a form satisfactory to the software publisher or equipment manufacturer. Customer shall use commercially reasonable efforts to secure the equipment while on Customer's site. In the event of loss related to risk, such as fire, theft, windstorm, explosion, flood and other casualties Customer will immediately notify Verizon in writing of any loss or damage, or any incident or condition which may give rise to any loss or damage, including details thereof, including without limitation the time, place and nature of the incident and damage, the names and addresses of parties involved, including persons injured, witnesses and owners of property (tangible or intangible) damaged, and such other information as may be known. TLS Equipment shall not be moved or removed by Customer without Verizon's prior written consent.

d. Limited Warranty. Verizon warrants that all work shall be performed in a good and workmanlike manner or such work will be re-performed. Verizon makes no warranties whatsoever with respect to any equipment and/or software, if any, that is provided under this Addendum. **THE WARRANTIES SET FORTH IN THIS ADDENDUM ARE IN LIEU OF ALL OTHER WARRANTIES FROM VERIZON. OTHERWISE VERIZON DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTY OF NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. VERIZON SHALL NOT BE LIABLE FOR UNAUTHORIZED ACCESS TO VERIZON'S OR CUSTOMER'S TRANSMISSION FACILITIES OR PREMISES EQUIPMENT OR FOR UNAUTHORIZED ACCESS TO OR ALTERATION, THEFT OR DESTRUCTION OF CUSTOMER'S DATA FILES, PROGRAMS, PROCEDURES OR INFORMATION THROUGH ACCIDENT, FRAUDULENT MEANS OR DEVICES, OR ANY OTHER METHOD. VERIZON MAKES NO WARRANTY FOR USE OF**

THE SYSTEM AS A COMPONENT IN LIFE SUPPORT SYSTEMS OR DEVICES, PUBLIC SAFETY SYSTEMS, OR WITH RESPECT TO THE PERFORMANCE OF ANY SOFTWARE OR FIRMWARE.

e. Limitation of Liability. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING A PARTY'S NEGLIGENCE) OR OTHERWISE INCLUDING WITHOUT LIMITATION DAMAGES ARISING FROM DELAY, LOSS OF GOODWILL, LOSS OF OR DAMAGE TO DATA, LOST PROFITS (ACTUAL OR ANTICIPATED), UNAVAILABILITY OF ALL OR PART OF THE SYSTEM, OR OTHER COMMERCIAL OR ECONOMIC LOSS, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

EXCEPT WITH RESPECT TO THE INDEMNIFICATION OBLIGATIONS SET OUT HEREIN, VERIZON'S ENTIRE LIABILITY FOR ANY OTHER DAMAGE WHICH MAY ARISE HEREUNDER, FOR ANY CAUSE WHATSOEVER, AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING VERIZON'S NEGLIGENCE, OR OTHERWISE, SHALL BE LIMITED TO DIRECT DAMAGES NOT TO EXCEED THE VALUE OF THE TWELVE (12) MONTH TERM OF THIS AGREEMENT FOR THE SPECIFIC EQUIPMENT, SOFTWARE OR SERVICES GIVING RISE TO THE CLAIM. VERIZON SHALL BEAR NO LIABILITY FOR USE OF EQUIPMENT, SOFTWARE OR SERVICES PROVIDED UNDER THIS AGREEMENT IN CONNECTION WITH LIFE SUPPORT SYSTEMS OR DEVICES OR PUBLIC SAFETY SYSTEMS. EXCEPT AS EXPRESSLY STATED OTHERWISE HEREIN, VERIZON SHALL HAVE NO LIABILITY OR RESPONSIBILITY FOR INTEROPERABILITY OR COMPATIBILITY OF THE SYSTEM WITH THIRD-PARTY PRODUCTS OR SYSTEMS THAT CUSTOMER MAY UTILIZE IN CONJUNCTION WITH THE SYSTEM OR TO WHICH CUSTOMER MAY CONNECT THE SYSTEM.

5. Indemnification and Defense.

a. Except as provided below, Verizon will defend Customer against any claim, suit, action or proceeding alleging that TLS Equipment infringes a valid U.S. patent or copyright ("Claim"), and Verizon will indemnify and hold harmless Customer against any and all finally awarded costs and expenses, including attorneys' fees, in connection with any such Claim.

b. If the use of any TLS Equipment is enjoined or subject to a Claim as described above, Verizon may, at its option and expense, either procure for Customer the right to continue to use the equipment, replace the equipment, or relevant component, with substantially equivalent, non-infringing equipment, or relevant component, or modify the equipment, or relevant component, so that it becomes non-infringing. In the event that none of the foregoing options is commercially reasonable to Verizon, Verizon will remove the infringing TLS Equipment.

c. Verizon shall have no obligation for (i) any costs, fees or expenses incurred by Customer without Verizon's prior written consent; or (ii) any indirect, special, consequential or incidental damages arising out of any Claim.

d. Without prejudice to Customer's rights to assert third-party responsibility therefore, and without prejudice to Verizon's rights and remedies under applicable laws, rules, regulations or orders, including but not limited to, its rights to impeder, as between Verizon and Customer, Verizon shall not be responsible under this Addendum for damages, costs and attorneys fees, and any obligation on the part of Verizon to defend and indemnify shall not apply to, any Claim or portion thereof that arises from (i) any negligent or willful act or omission by or attributable to Customer; (ii) use or operation of the TLS Equipment in combination with equipment or services provided by Customer or any third party; (iii) any addition to or modification of the TLS Equipment by Customer, any third party or Verizon at Customer's request; (iv) use of other than the then current unaltered release of any software used in the TLS Equipment; (v) any equipment, system, product, process, method or service of Customer which otherwise infringed the U.S. patent or copyright asserted against Customer prior to the supply of the TLS Equipment to Customer under the Addendum; or (vi) the content of communications transmitted by or on behalf of Customer in the use of the TLS Equipment or services provided by Verizon, including but not limited to libel, slander, and invasion of privacy.

e. The foregoing states the entire obligation of Verizon to Customer and is Customer's sole and exclusive remedy with respect to any Claim of infringement of any intellectual property right of any kind, and Verizon disclaims all other warranties and obligations with respect to any such Claims.

f. The defense and indemnification obligations set forth in this Section are contingent upon (1) the indemnitee providing the indemnitor prompt, written, and reasonable notice of the claims, demands, and/or causes of action subject to indemnification, (2) the indemnitee granting the indemnitor the right to control the defense of the same, and (3) the indemnitee's full cooperation with the indemnitor in defense of the claim, including providing information and assistance in defending the claim. Nothing herein, however, shall restrict the indemnitee from participating, on a non-interfering basis, in the defense of the claim, demand, and/or cause of action at its own cost and expense with counsel of its own choosing. No settlement may be entered into by the indemnitor on behalf of the indemnitee that includes obligations to be performed by the indemnitee (other than payment of money that will be fully paid by the indemnitor under Sections 5(a) - 5(f) above) without indemnitee's prior written approval.

E-Rate Funding Related Terms and Conditions

Service Attachment

1. General.

- 1.1 The terms and conditions of this service attachment apply with respect to any Services (which term includes equipment) for which Customer seeks E-Rate funding ("E-Rate Services") under the federal Universal Service Fund from the Schools and Libraries Division of the Universal Service Administrative Company or USAC ("E-Rate Program").
- 1.2 **Delayed Implementation.** Verizon will delay the start of any work or activities related to installation or provision of the E-rate Services upon Customer request, until such time as Customer notifies Verizon in writing of USAC's approval of E-rate funding, or Customer notifies Verizon to proceed to provide such E-rate Services (regardless of whether E-rate funding is or has been approved), in which case Customer shall be responsible for payment as set out in Section III.C below. However, if within twelve (12) months after this Agreement is signed by either party, Customer has neither notified Verizon that it has received such USAC approval of E-rate funding for E-rate Services nor notified Verizon to proceed to provide such E-rate Services, then Verizon reserves the right to terminate this Agreement with respect to such E-rate Services upon written notice to Customer.
- 1.3 **Term and Survival.** Notwithstanding any other provisions to the contrary set forth in the Verizon Service Agreement (the "Agreement") to which this is attached, the Initial Term and Effective Date for E-Rate Services will be as follows: Providing Customer has signed and delivered this Agreement to Verizon no later than May 1, 2012, the "Initial Term" for the E-Rate Services will be scheduled to begin on July 1, 2012, or as soon thereafter as such services are installed if not previously installed, and the pricing in this Agreement will be effective for such E-Rate Services on that date ("Effective Date"). If Verizon has not received the signed Agreement from Customer by May 1, 2012, the Initial Term for the E-Rate Services will be scheduled to commence on the 1st day of the 2nd billing cycle following Verizon's receipt of the signed Agreement from Customer, or as soon as such services are installed if not previously installed, but in no event earlier than July 1, 2012. The Initial Term shall end upon completion of the number of months specified as the Initial Term in the Agreement following the commencement of the Initial Term. Unless otherwise agreed, the Initial Term for new or additional E-Rate Services installed after the Initial Term begins will be co-terminus with the Initial Term applicable to the other E-Rate Services. At the end of the Initial Term, the Agreement for these Services may be subject to extension or continuation to the extent so provided in the provisions of the Agreement applicable to these Services. In the event the Services are provided to, and used by, Customer after the signature of this Agreement but prior to July 1, 2012, then Customer shall pay the rates set forth in this Agreement unless a prior written agreement is in effect and applicable to such pre-July 1 time period.
- 1.4 Customer and Verizon each represent and warrant that it has complied and will comply with all laws, rules and regulations applicable to the E-Rate Program.

2. E-Rate Funding Method. Please designate the intended funding method by checking the appropriate box below:

- ☒ Billed Entity Applicant Reimbursement Form ("BEAR") – FCC Form 472
- ☐ Service Provider Invoice Form ("SPIF") – FCC Form 474

3. Customer Responsibilities.

- 3.1 Customer is solely responsible for applying for and securing any E-Rate funding, and for ensuring the accuracy and integrity of all data and information submitted in connection with such application. Verizon has no liability arising from any assistance it provides Customer in connection with such application and Customer shall hold Verizon harmless with respect to any such assistance or information provided to Customer.
- 3.2 Verizon makes no representation or warranty whatsoever with respect to the eligibility of any particular Services for E-Rate funding, as such determination rests solely with the Schools and Libraries Division of USAC in its capacity as administrator of the E-Rate Program. Any reference in the Agreement to E-Rate eligibility or ineligibility is not determinative, but is for ease of reference only.

- 3.3 If Customer fails to qualify for or secure E-Rate funding or otherwise becomes ineligible for such funding in whole or in part, or if such funding is withdrawn or canceled in whole or in part, or if payment of any Verizon charges is denied by USAC in whole or in part, Customer is nevertheless obligated to pay one-hundred percent (100%) of the charges associated with the Services provided under this Agreement that are not paid to Verizon from E-Rate funding, including if applicable reimbursing to Verizon any funds which Verizon is obliged to return to USAC on account of Customer in connection with the Agreement.
- 3.4 Upon request, Customer will provide Verizon with copies of any E-rate-related materials (including all attachments) reasonably requested by Verizon, including without limitation: (i) Form 471 and Item 21 Attachments, (ii) Form 500, (iii) Service Substitution Request, and (iv) approved SLD FCC 486 Service Certification Form.

4. Payment.

4.1 **Standard Invoicing.** Except as provided below, Verizon will invoice Customer in full for all Services, including those for which Customer's E-rate funding request has been approved. Customer will pay all invoices as provided in the Agreement. With respect to Services for which E-Rate funding has been approved, Customer will file FCC Form 472 (Billed Entity Applicant Reimbursement Form or BEAR) and certify that it has paid for those Services in full. (Note that Verizon must receive an approved SLD Funding Commitment Decision Letter and approved SLD FCC Form 486 Service Certification Form before Verizon will sign Customer's FCC Form 472 (BEAR).) Within twenty (20) business days after receipt of payment from USAC, Verizon will remit the approved discounted portion to Customer.

4.2 Alternative Invoicing.

- 4.2.1 For some services (which Verizon will identify for Customer on request), Customer may request that Verizon invoice Customer only for the so-called non-discounted charges (i.e., the charges that are not to be paid or reimbursed via E-Rate funding).
 - 4.2.2 Any such request will apply to all E-Rate Services that are eligible for such invoicing until Customer notifies Verizon that it does not want to continue that invoicing treatment with respect to a subsequent funding year. Once made, this invoicing election may not be changed for the current year.
 - 4.2.3 To qualify for such invoicing, Customer must send notice to Verizon under this Agreement, together with an approved SLD Funding Commitment Decision Letter and approved SLD FCC Form 486 Service Certification Form.
 - 4.2.4 Customer understands that Verizon will file FCC Form 474 (Service Provider Invoice Form or SPIF) to obtain payment from USAC of the so-called discounted charges, and upon request, Customer will provide any appropriate documentation or information to Verizon or USAC in support of Verizon's request(s) for payment.
- 4.3 If, following the end of the funding year, Verizon determines that it has received payment for a Service from both USAC and Customer, Verizon will correct any such duplication, either through credits or refunds to Customer or USAC, as it determines to be appropriate.

TLS SLA

6. Service Level Agreements.

- 6.1 The following Service Level Agreements ("SLAs") apply to TLS provided over a UNI Port with Access Line Connection and are contingent upon Customer subscribing to and maintaining such Connection for a Service Period of at least 1 year. Port Only Connections and are not eligible for SLAs. All SLA measurements and eligibility for credits are subject to verification by Verizon's monitoring systems and in accordance with Verizon's procedures.
- 6.2 The applicable SLAs are as follows: Operational SLAs: (i) Network Availability; (ii) Mean Time To Repair ("MTTR").
- 6.3 In order to obtain a SRC, Customer must make a written request as directed by Verizon for such SRC within 30 calendar days of the end of the monitoring period for the applicable SLA. The request must include a list of all impacted circuit/connection identification numbers and the type of SRC requested for each circuit/connection. The monitoring period for all SLAs is based on a calendar month.
- 6.4 For any calendar month, the SRCs may not exceed the total monthly recurring charges billed to Customer for an Affected Service for that month. For any calendar year, the total SRCs may not exceed 10% of the total annual revenue of the prior calendar year billed to the Customer for all UNI Port with Access Line Connections and EVCs provided under this Agreement, or \$200,000 per Customer, whichever is less. If the TLS has not been provided for a full calendar year, the SRCs may not exceed \$20,000 per Customer for TLS.
- 6.5 No SRCs will be issued if the missed SLA is to the extent caused by the following:
- 6.5.1 The negligence of the Customer or a third party;
 - 6.5.2 Failure of power, CPE or other equipment, systems, facilities or services not provided by Verizon;
 - 6.5.3 Customer has chosen not to release the TLS for testing and/or repair, or Verizon or its representative is otherwise not afforded access to the premises where the TLS is terminated;
 - 6.5.4 Customer has released the TLS to Verizon or its representative for maintenance, TLS rearrangement, or the implementation of a Customer service order for a change in the TLS during the time that was negotiated with the Customer prior to the release of that TLS;
 - 6.5.5 Customer fails to authorize replacement of any element of new construction following the receipt of written notification by Verizon of the need for such replacement. The period for which no credit allowance is made begins on the seventh day after Customer receives Verizon's written notification of the need for such replacement and ends on the day after receipt by Verizon of the Customer's written authorization for such replacement;
 - 6.5.6 Force majeure events;
 - 6.5.7 Subsequent reports made by the Customer while the initial trouble report is pending or service troubles repaired by Verizon prior to its receipt of a trouble report;
 - 6.5.8 Service troubles closed due to Customer action; or
 - 6.5.9 Scheduled maintenance and downtimes.
 - 6.5.10 For Affected Services that have been in service less than thirty calendar days.
- 6.6 **Network Availability SLA.**
- 6.6.1 **Measurement.** The Network Availability is measured by the percentage of time during a calendar month that the TLS is able to transport frames over the Verizon TLS network to Customer locations. Measurements for Network Availability are not rounded up. Network Availability is calculated based upon the total number of minutes in a calendar month that a Customer was actually in service divided by the total number of minutes in that calendar month for all Affected Services. The Network Availability SLA is 99.90% for a calendar month and any SRCs are calculated on a per TLS UNI Port Connection basis.
- 6.6.2 **SRC.** If Verizon fails to meet this SLA, Customer will be eligible for a SRC of 10% of the MRC for the Affected Service.
- 6.7 **MTTR SLA.**
- 6.7.1 The MTTR SLA is the average Time to Repair ("TTR") for documented TLS UNI Port with Access Line Connection Interruptions (where the TLS is not able to transport data over the Verizon TLS network). A Service Interruption shall mean that data cannot be transported over TLS solely because of a failure in Verizon provided TLS and for purposes of this Section 6, does not commence until such Service Interruption is reported to Verizon in accordance with procedures established by Verizon for the opening of trouble tickets. The TTR is measured from the date and time a trouble ticket is opened by Verizon and

the date and time when such ticket is closed by Verizon. In measuring the TTR, any stop clock time or adjusted duration time basis associated with the trouble shall be subtracted from such measurement. For purposes of this measurement, stop clock time refers to a) time periods when Customer testing is occurring, b) time periods when Verizon is awaiting Customer authorization to commence work on the TLS; c) periods when the Customer is working on its equipment and has not released the facility to Verizon for maintenance, testing, or repair; d) periods when Verizon is denied access to Customer premises or facilities as necessary to diagnose, repair or test; e) periods following a repair of the TLS when the trouble ticket is held open by Customer to ensure the trouble is resolved; f) periods when pre-defined maintenance windows have been established between the Customer and Verizon, and g) any time period during which any of the occurrences listed in Section 6.5 above existed. The MTTR SLA shall not apply to cases where no trouble is found, informational tickets, subsequent trouble tickets made by Customer while the initial trouble report is pending or trouble repaired by Verizon prior to its receipt of a trouble ticket.

- 6.7.2 The MTTR SLA shall be measured on a calendar month basis and shall be calculated by totaling the TTR for all measured Service Interruptions and dividing that sum by the total number of trouble tickets opened for such Service Interruptions for that Customer during that month.
- 6.7.3 If MTTR is greater than 4 hours over such calendar month, then Customer will be eligible for an SRC of 50% of the MRC per UNI Port with Access Line that was interrupted for more than 4 hours.